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Public Service Commission of Wisconsin
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Via Electronic Regulatory Filing

September 17, 2008

Ms. Sandra J. Paske
Secretary to the Commission
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

**Re: Investigation on the Commission's Own Motion Regarding Innovative Utility
Ratemaking Approaches that Promote Conservation and Efficiency
Programs by Removing Disincentives that may Exist Under Current
Ratemaking Policies - Docket 5-UI-114**

Dear Ms. Paske:

In response to the letter dated September 2, 2008 from Mr. Thomas J. Ferris, Wisconsin Electric and Wisconsin Gas together d/b/a We Energies provide the following comments to Staff's Briefing Memorandum.

On page 17, there is a discussion on whether or not a decoupling mechanism should consider only the effects of additional energy efficiency spending or if it should also include the effects of other factors which is a summary of responses to survey question #5. Because that question is an "or" question, the summary of the responses is somewhat confusing. We suggest adding the following underlined words to the text in the second full paragraph to avoid any misinterpretation: "WPSC, NSPW, and the JPI answer, no; that other factors should also be considered. WP&L, WEPCO, MGE and the ICG answer, yes; only the effects of additional energy efficiency spending should be considered." Without this clarification, the opposite of We Energies' filed response is conveyed.

Additionally, there is a contradiction related to survey question #5 and survey question #6. In Staff's summary of responses to question #5, they interpret a "yes" response as agreement with the first part of question #5; however, in summarizing survey question #6, a "yes" response is portrayed as agreement with the second part of question #5.

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While survey question #12 does not require a Commission decision in this proceeding, it should be stated that of the nine parties to file responses, six parties answered this question in the affirmative.

On page 42, survey question #17 is characterized as uncontested. It is not uncontested. We Energies' filed comments state that "[u]tility specific plans are most appropriate." What now appears as the "Uncontested Alternative" should be changed to Alternative One and an Alternative Two should be created to read: "The Commission may approve utility-specific plans that promote energy efficiency."

We appreciate the opportunity to comment on Staff's Briefing Memorandum. Any questions on these corrections may be directed to Mr. T.R. McNeer at (414) 221-2568.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roman A. Draba", with a stylized, flowing script.

Roman A. Draba
Vice President – Regulatory Affairs and Policy